

ABSTRACT

An Internet based real-time interactive electronic trading system for broadcasting quotes, usually bid and ask prices, for high-yield corporate bonds to buyers and sellers in a fully encrypted manner. Further, it processes orders and executes trades between clients. In addition to fully automating the entire high yield bond trading process, the system maintains a full audit trail of every event in the trading process. The system permits direct but anonymous trading which permits both buyers and sellers to see the price at which they will trade and avoids the need, and cost, for an intermediary. It allows the sale of municipal Bonds in an anonymous and transparent market and allows the purchaser of Municipal Bonds to contemporaneously insure their Bond purchase from default electronically through a municipal bond insurance provider, such as MBIA Insurance Corporation, when making the purchase. The system permits direct but anonymous trading of Convertible debt and Emerging Market Debt as well as providing transparency and liquidity not previously attainable in those markets.